

**CHANGES TO PART I OF THE
CALIFORNIA SCHOOL ACCOUNTING MANUAL, 2002 EDITION**

PROCEDURE	TITLE	CHANGES
203	Allowable Funds and Account Groups	Modified references to Debt Service accounts to reflect renumbering of accounts from 76XX range to 74XX range, which took effect in 2002-2003, to reflect expenditures for debt service as Other Outgo rather than Other Financing Uses.
204	The General Ledger and the Chart of Accounts	Corrected definition of Object 9410, Land, by replacing reference to “permanent structures” with “land.” Corrected definition of Object 9420, Improvement of Sites, by replacing reference to “permanent structures” with “site improvements.” Added new Object 9425, Accumulated Depreciation – Improvement of Sites. Corrected definition of Objects 9435 and 9445 by replacing the word “systemic” with “systematic.”
302	Revenue Recognition	Added guidance regarding revenue recognition for nonexchange transaction revenues in accordance with GASB Statement 33. Added guidance regarding revenue recognition for the Deferred Maintenance apportionment in accordance with GASB Statement 33. Minor formatting changes.
401	Accounting for Expenditures and Other Financing Uses	Modified references to Debt Service accounts to reflect renumbering of accounts from 76XX range to 74XX range, which took effect in 2002-2003, to reflect expenditures for debt service as Other Outgo rather than Other Financing Uses. Clarified guidance and definitions in response to questions from LEAs regarding accounting for debt issue costs and discounts, leasehold improvements, and replacement of equipment.
407	Documenting Salaries and Wages	Added section on page 407-11 which extends the requirement to document salaries charged to federal programs, to state restricted programs as well.
601	Accounting for Cooperative Projects and Pass-Through Grants	Rewrote to better define the accounting for pass-through grants and cooperative projects. Added a chart that summarizes the proper coding for the original recipient and for the sub-recipient for different types of funding models.
606	Accounting for Certificates of Participation	Modified references to Debt Service accounts to reflect renumbering of accounts from 76XX range to 74XX range, which took effect in 2002-2003, to reflect expenditures for debt service as Other Outgo rather than Other Financing Uses. Updated examples to distinguish Object 7438, Debt Service - Interest, from Object 7439, Debt Service - Principal. Minor formatting changes.
610	Accounting for Special Education Programs	Corrected reference from Function 1000, Instruction, to Special Education instructional functions 1100-1999.
701	Classifying Expenditures by Program	Restored one paragraph of text, mistakenly deleted during a previous year’s edits, relating to facilities program costs.
801	Distinguishing Between Supplies and Capitalized Equipment	Expanded guidance in response to questions from LEAs relating to capitalization.
805	Accounting for Lease-Purchase Agreements (Capital Leases)	Modified references to Debt Service accounts to reflect renumbering of accounts from 76XX range to 74XX range, which took effect in 2002-2003, to reflect expenditures for debt service as Other Outgo rather than Other Financing Uses. Updated guidance to distinguish Object 7438, Debt Service - Interest, from Object 7439, Debt Service - Principal.
806	Accounting for Fixed Assets in the Proprietary and Fiduciary Funds	Expanded guidance in response to questions from LEAs relating to estimated useful lives of capital assets. Minor formatting and grammatical changes.

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SECTION	TITLE	CHANGES
001	Overview of SACS	Took out the word “code”.
101	Fund/Account Group	<ol style="list-style-type: none"> 1. Changed the example from Deferred Maintenance Fund to a Cafeteria Fund. We are discussing the current use of Resource 0000 in restricted funds. 2. Changed title of Fund 09 to Charter Schools Special Revenue Fund, Fund 13 to Cafeteria Special Revenue Fund, and Fund 61 to Cafeteria Enterprise Fund. 3. Added reference to Fund 18 “Resource 7236, School Bus Emissions Reduction, may be deposited to the General Fund as well as to Fund 18.” 4. Added reference to Enterprise funds, “Generally, use Goal 0000, Undistributed, with an enterprise fund. The costs of an enterprise fund are not included in the program cost report (PCR) nor are the goals of an enterprise fund necessary for the district-wide statements.”
102	Resource (Project/Reporting)	Click here for a list of updated resource codes.
104	Goal	<ol style="list-style-type: none"> 1. Added reference to Goal 0000, “Generally use Goal 0000, Undistributed, with an enterprise fund. The costs of an enterprise fund are not included in the program cost report (PCR) nor are the goals of an enterprise fund necessary for the district-wide statements.” 2. Added sentence to examples, “Instructional functions must be directly charged to a goal.” 3. Added reference to Goal 3200, “Continuation Schools are funded with Resource 2200, Continuation Education.” 4. Added reference to Goal 3500, “County Community Schools are funded with Resource 2400, Juvenile Court/County Community Schools.” 5. Added reference to Goal 3550, “Community Day Schools are funded with Resource 2430, Community Day Schools.” 6. Added reference to Goal 3800, “The vocational education goal is used to track the costs of vocational education students and is not used for adult ed, ROC/P, or special education costs.” 7. Added reference to Goal 4850, “This goal is used with the migrant education resources.” 8. Added reference to Goal 7110, “An LEA is defined as all K-12 public educational agencies, including charter schools. Use for costs of providing transportation services to other LEAs or providing cafeteria services to other LEAs.” 9. Added reference to Goal 7150, “Contracts for a non-LEA, such as a community college or a private school, would be coded to this goal.”

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		10. Added reference to Goal 9000, "and will be distributed among appropriate program goals on the Program Cost Report (PCR)."
105	Function	<ol style="list-style-type: none"> 1. Expanded introduction with, "Every expenditure must be coded to a function. Although the function field applies to expenditure accounts, it may be used with revenue accounts and balance sheet accounts at the discretion of the LEA." 2. Changed the description of Function 6000 by omitting the second paragraph, which is incorrect. Contracts between LEAs should be coded to Goal 7110 with the appropriate function. 3. Added to the description of Function 7510, Planning Research Development and Evaluation, "including costs of facility planning and administration not directly identifiable to a capital project." 4. Added to description of Function 8100 Plant M & O, "Do not use Function 8100 for a capital project, which extends the life and the value of a capital asset." 5. Added to the description of Function 8500, Facilities Acquisition and Construction, "Capitalize projects that extend the life and the value of a site, building, or major equipment, and that exceed the LEA's capitalization threshold. Documented time of a project manager to a capital project may be capitalized. Facility costs that are not clearly identifiable to a capital project should not be charged to Function 8500. Facility planning or administration should be charged to Function 7200, Other General Administration, or to optional Function 7510, Planning Research Development and Evaluation. Facility improvements that do not significantly extend the life or increase the value of a site or building or that do not meet the LEA's threshold for capitalization should be charged to Function 8100, Plant Maintenance and Operations. (Refer to Procedure 801 in Part I of CSAM.)" 6. Replaced the first sentence for Function 8700, Facilities Rents and Leases, with "Activities concerned with acquiring facilities through operating leases or rent." 7. Added "bonds" to the note on Function 9100 Debt Service and "If long-term debt is issued at a discount, the discount should be recorded in this function with Object 7699, All Other Financing Uses."
106	Object	<ol style="list-style-type: none"> 1. Changed the range of Capital Outlay to 6000-6900. 2. Changed the name of Object 6900 to Depreciation Expense (for proprietary and fiduciary funds only). Changed the range of debt service objects to 7430 to 7439 and renumbered all the debt service objects to 74XX from 76XX.

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		<ol style="list-style-type: none"> 3. Added Object 9425, Accumulated Depreciation, Improvement of Sites. 4. Added to the description of Object 1900, Other Certificated Salaries, "Object 1900 is not open to instructional functions." 5. Added to Object 3201-2, PERS, "Although it does include employer payment of employee's contribution." 6. Rewrote the definition of Object, 4700 Food. 7. Expanded the definition of Object 5300, Dues and Memberships. 8. Omitted the reference to Function 3700 from Object 5500 Operations. 9. Added to Object 5800, "Debt issuance costs including underwriter discounts and fees should be recorded here. If long-term debt is issued at a discount, the discount should be recorded in Object 7699, All Other Financing Uses." 10. For Object 5900, Communications, rewrote the paragraph about capitalizing or not the cost of communications equipment. 11. For Object 6100, Sites, added leasehold improvements to leased property. 12. Added a reference to the capitalization threshold to the description of Object 6400, Equipment. 13. Added to Object 7299, All Other Transfer Out, "Use Object 7299 for transfers to a Mello-Roos district." 14. Added "Do not use Object 7699 for debt service payments or for the return of unexpended resources to the grantor agency." 15. Added to Object 8622, Other Non-Ad Valorem Taxes, "or maintenance assessment district funds." 16. Added to Object 8799 Other Transfers from All Others, "...including Mello-Roos districts." 17. Added to Object 9420, Improvement of Sites "cost of permanent improvements, other than buildings, which add value to land, such as sidewalks, gutters, pavement, and fences." 18. Added to Object 9500, Accounts Payable, "Use Object 9620, Due to Student Groups/Other Agencies, for the liabilities of a trust or agency fund." 19. Rewrote Object 9620 Due to Student Groups/Other Agencies to clarify the proper accounting for a trust or agency fund. 20. Added to the range for budgetary accounts, "The following budgetary accounts are used by LEAs to record the budget. These accounts are not imported into the SACS software."

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		21. Added to the range for Other Debits, "The following accounts are only used in Account Groups 96 and 97."
201	Revenue	<ol style="list-style-type: none"> Updated resources on the examples. Added full set of debits and credits to examples to be consistent with other examples.
202	Expenditures	<ol style="list-style-type: none"> Added full set of debits and credits to examples to be consistent with other examples. Moved the transportation example (#5) to 213 Transportation and added a copy center as an example of a "cost center".
203	Balance Sheet Accounts	<ol style="list-style-type: none"> Added full set of debits and credits to examples to be consistent with other examples.
204	Cafeteria	<ol style="list-style-type: none"> Changed coding of Example 6, coding for a central kitchen. The project is a contract for services between LEAs, not a true enterprise function.
205	Cooperative Projects (Renamed from Small District Interagency Contracts)	<ol style="list-style-type: none"> Renumbered (was Section 208) Deleted lines in example 1 (b), (c) and (d), that suggests a district may want to keep the same resource when accounting for a contract for services.
206	County Offices of Education	<ol style="list-style-type: none"> Renumbered (was Section 205)
207	Forest Reserve	<ol style="list-style-type: none"> Renumbered (was Section 206)
208	ROC/P	<ol style="list-style-type: none"> Renumbered (was Section 207) Deleted lines in example 2 (b) and (c), that suggests a district may want to keep the same resource when accounting for a contract for services.
209	Special Education	<ol style="list-style-type: none"> Changed the resource in Example 9 (b) and (c) to a local resource to reflect a contract for services. Changed the resource from unrestricted to Resource 6500 for the payment of excess costs to another LEA.
300	Calculation of Approved Indirect Cost Rate in SACS	Updated examples of calculation.
301	Program Cost Accounting in SACS	Proposed addition of examples of how to document direct charges to goals.
Appendix A	Analysis of Salaries	<ol style="list-style-type: none"> Added example of Certificated Playground Supervisor. Added Function 2490 to non-instructional Child Care Personnel.
Appendix C	List of PCAs	Updated as of August 2002.